

Old Age, Disability, Death

First law: 1940.

Current law: 1989

Type of program: Social insurance system.

Exchange rate: U.S.\$1.00 equals 170 Bolivars.

(1990 labor code established supplementary pension funds financed by employer only.)

Coverage

Employees in private and public employment.

(Members of production and service cooperatives, domestic workers, and taxi drivers covered by special regulations.)

Exclusions: Temporary and casual workers, self-employed, and homeworkers.

Special systems for members of armed forces and public employees.

Coverage for private employees being extended gradually to additional regions.

Source of Funds

Insured person: 4% of earnings.

Employer: 9%, 10%, or 11% of payroll depending on level of risk under sickness and medical insurance.

Government: At least 1.5% of total taxable earnings, covering cost of administration (in addition to employer contribution for public employees).

Maximum earnings for contribution and benefit purposes: 75,000 bolivars a month.

Qualifying Conditions

Old-age pension: Age 60 (men) or 55 (women); lower ages for unhealthy and arduous occupations. 750 weeks of contribution (reduced to minimum of 250 weeks for older workers in newly covered regions).

Retirement unnecessary. Payable abroad.

Disability pension: Permanent or prolonged loss of over 2/3 of working capacity. 250 weeks of contribution (reduced by 20 contributions for each year under age 35), including 100 weeks in last 3 years.

No qualifying period if disability caused by accident while covered.

Survivor pension: Deceased met pension requirements or was pensioner at death.

No qualifying period if death due to accident while covered.

Old-Age Benefits

Old-age pension: 9,000 bolivars a month, plus 30% of average earnings during last 5 or the average of the highest five years in the last 10 years (whichever is higher).

Increment of 1% of earnings for each 50 weeks of contribution beyond 750 weeks.

Minimum pension: 40% of earnings.

Increment for deferral of pension: 5% of pension per year deferred after pensionable age.

Old-age settlement: 10% of total covered earnings if ineligible for pension but at least 100 weeks of contribution during last 4 years.

Occasional adjustments of benefits for changes in prices and wages.

Permanent Disability Benefits

Disability pension: 9,000 bolivars a month, plus 30% of average earnings, payable after 6 months of disability. Increment of 1% of earnings for each 50 weeks of contribution beyond 750 weeks.

Minimum pension: 40% of earnings.

Constant-attendance supplement: Up to 50% of pension.

Partial disability: Percent of full pension proportionate to degree of disability, if disability results from nonoccupational accident.

Disability settlement: 10% of total covered earnings if ineligible for pension but at least 100 weeks of contribution during last 4 years.

Adjustment: Occasional adjustments of benefits for changes in prices and wages.

Survivor Benefits

Survivor pension: 40% of pension paid or accrued to insured, payable to widow age 45 or caring for child. Other widows receive lump sum of 2 years' widow's pension. Also payable to dependent aged or disabled widower.

Orphans: 20% of pension of insured for each orphan under age 18 (18 if student, no limit if disabled). Full orphan: First receives 40% of pension; others, 20%.

Maximum survivor benefits: 100% of pension of insured.

Survivor settlement: Amount equal to 10% of total covered earnings of deceased. Payable to above survivors, if qualifying period for pension not met but at least 100 weeks of contribution during last 4 years; or to brothers, sisters, and parents, in absence of any of above survivors.

Funeral grant: Not more than five times the deceased's monthly salary.

Adjustment: Occasional adjustments of benefits for changes in prices and wages.

Administrative Organization

Ministry of Labor, general supervision.

Venezuelan Social Insurance Institute, administration of program; managed by tripartite board and director-general.

Sickness and Maternity

First law: 1940.

Current law: 1989.

Type of program: Social insurance system. Cash and medical benefits.

Coverage

All employees in private and public employment. (Members of production and service cooperatives, domestic workers, and taxi drivers covered by special regulations.) Pensioners also covered for medical benefits.

Exclusions: Temporary and casual workers, self-employed, homeworkers and housewives.

Special systems for public employees and teachers.

Coverage being extended gradually to additional regions.

Source of Funds

Insured person: 4% of earnings.

Employer: 4.25-6.25% of payroll.

Government: See pension contribution, above.

Above contributions also finance work-injury benefits.

Qualifying Conditions

Cash and medical benefits: Current coverage.

Sickness and Maternity Benefits

Sickness benefit: 66-2/3% of earnings. (Reduced by 50% when patient is hospitalized.)

Payable after 3-day waiting period for up to 52 weeks (may be extended under certain conditions).

Maternity benefit: 66-2/3% of earnings, payable for up to 6 weeks before and 12 weeks after confinement.

Workers' Medical Benefits

Medical benefits: Free medical services ordinarily provided directly to patients by medical facilities of Social Security Institute, up to maximum of 52 weeks; may be extended for another 52 weeks for convalescent care.

Includes general and specialist care, hospitalization, laboratory services, medicines, dental care, maternity care, appliances, and transportation.

Dependents' Medical Benefits

Medical benefits for dependents: Same as for insured person.

Maximum duration of medical benefits for dependents of pensioners: 26 weeks.

Survivors of pensioners are entitled to medical service benefits up to 52 weeks.

Administrative Organization

Ministry of Labor, general supervision.

Venezuelan Social Insurance Institute, administration of program.

Institute operates own clinics and hospitals and has other facilities under contract.

Employer: Same.

Government: Same.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: 66-2/3% of earnings.

Payable after 3-day waiting period for up to 52 weeks.

Permanent Disability Benefits

Permanent disability pension: 66-2/3% of earnings, if totally disabled.

Constant-attendance supplement: Up to 50% of pension.

Partial disability: Percent of full pension proportionate to degree of disability, if 25% to 66% disabled; lump sum of 3 years' pension for 6% to 24% disability.

Workers' Medical Benefits

Medical benefits: Free general and specialist care, hospitalization, medicines, laboratory services, appliances, and rehabilitation services.

Survivor Benefits

Survivor pension: 40% of total disability pension of insured, payable to widow age 45 or caring for child.

Other widows receive lump sum of 2 years' widow's pension.

Also payable to dependent aged or disabled widower.

Orphans: 20% of pension of insured for each orphan under age 14 (18 if student, no limit if disabled). Full orphan: First receives 40% of pension; others, 20%.

Survivor settlement: Amount equal to 10% of total covered earnings of deceased. Payable to above survivors, if qualifying period for pension not met but at least 100 weeks of contribution during last 4 years; or to brothers, sisters, and parents, in absence of any of above survivors.

Funeral grant: 5,000 bolivars.

Administrative Organization

Ministry of Labor, general supervision.

Venezuelan Social Insurance Institute, administration of contributions and benefits.

Institute provides medical benefits through its own clinics and hospitals.

Work Injury

First law: 1923.

Current law: 1984. (1947 labor law provisions regarding employer liability still apply in regions not yet under social insurance.)

Type of program: Social insurance system.

Coverage

All employees in private and public employment.

Members of production and service cooperatives, domestic workers, and taxi drivers covered by special regulations.

Exclusions: Temporary and casual workers, self-employed, homeworkers and housewives.

Coverage for cash benefits for public employees nationwide; coverage for private employees being extended gradually to additional regions.

Source of Funds

Insured person: See sickness and maternity contributions above.

Unemployment

Current law: 1989.

Type of program: Compulsory insurance system.

(Labor laws provide for separation pay by employer for dismissal without due notice, for unjustified dismissal, or retirement for justified cause.)

Coverage

Employees in private and public employment. Exclusions:

Temporary and casual workers, homeworkers and domestics.

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Source of Funds

Insured: 0.70% of earnings.

Employer: 1.50% of payroll.

Government: None.

Maximum earnings for contribution and benefit purposes: 75,000 bolivars a month.

Above contributions also help finance health insurance for unemployed.

Qualifying Conditions

Unemployment benefit: Contributions for 52 weeks during 24 months preceding date of termination of employment.

Available for training or suitable employment.

Unemployment Benefits

Unemployment benefit: 60% of average weekly salary. Maximum monthly payment is 7,500 bolivars. Paid for up to 13 weeks after waiting period of 1 month after loss of employment; can be extended to 26 weeks. Unemployed persons are entitled to training and guidance services.

Workers' Medical Benefits

Medical benefits for insured workers: Unemployed and family members are covered for health insurance for 26 weeks.

Administrative Organization

Ministry of Labor, general supervision.

Employment services.

Venezuelan Social Insurance Institute.

Family Allowances

(Marriage grant provided under old-age, disability and survivors program: Lump sum 7,000 bolivars. Requires 100 weekly contributions paid in last 3 years before marriage.)

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